

FOR SALE: Janitorial with Reoccurring Business Clientele

Nearly 30 repeat clients with 40+ employees!

Financial Overview

List Price: \$1,790,000

Gross Sales

2022	2021	2020
\$2,429,436	\$2,934,087	\$2,489,135

Cash Flow

2022	2021	2020
\$540,967	\$761,237	\$610,556

2022 Cash Flow x Multiple = Valuation
 \$540,967 x 3.3 = \$1,785,191

****SBA Bank Financing Approved****

Assets Included in Purchase: \$504,164

- Vehicles:** \$74,300 (several crew vans)
 - Inventory:** \$79,877
 - Equipment:** \$149,987 (wet/dry vacuums, drying systems, HEPA filters, carpet cleaners, etc.)
 - Working Capital:** \$200,000 (AR/AP average)
 - Profit Margin:** 24%
- *amounts may vary, assets may be depreciated, replacement cost, or fair market value*

Business Information

- Clients:** Made up of Banks, Hospitals, and Manufacturing Plants with 30+ Commercial Clients of which are 95% reoccurring.
- Location:** Office in Waimea, Hawaii, with 4 locations on the islands of Kauai, Oahu, Maui, and Molokai
- Services:** Commercial janitorial services such as office cleaning, deep cleaning, etc.
- Personnel:** 4 GM's – One at each island plus 43 janitorial techs
- Year Established:** 2005
- Reason for Selling:** Moving to Kansas for Special needs child.
- Lease:** Kauai (1600 sq/ft office, 1500 sq/ft warehouse), Maui (1500 sq/ft shared office and warehouse), Oahu (240 sq/ft storage space), Molokai (container storage)
- Current Owners' Responsibilities:** Book keeping, Payroll, direct reports from the management team and renewing contracts a few times a year.
- Seller Training Period:** 1 year

Funding Example

Purchase Price: \$1,790,000

12.5% Buyer Down Payment	\$223,750
12.5% Seller Financing	\$223,750
75% Bank Loan	\$1,342,500

With a down payment of 12.5% this business will produce \$279,202 after debt payments in the first year!

Description

This commercial Janitorial business provides cleaning services for reputable clientele that has multiple locations such as Banks, Hospitals and Manufacturing plants across 4 of the islands. There are over 30 reoccurring contracted clients with long tenure. There is a self-sufficient manager on each island that oversees the staff, over 40 techs, client account relationships and daily operations. That allows the owners to enjoy minimal responsibility simply doing book keeping and payroll which can be completed remotely. The sellers are moving to Kansas for family reasons, and that is the only reason for the sale. They have offered a 6 month to 1 year transition, plus a 12.5% Seller Promissory note as a show of vested interest in the success of the company ongoing. There is an SBA lender that has fully approved this deal structure with the buyer only putting 12.5% down, which will return \$279,202 in profits in just the first year alone! There is also over \$500,000 in assets for collateral.

Their Green Seal certification ensures the highest quality standards in cleaning practices, instilling a high level of trust between this cleaning business and their repeat clientele. They also have the exclusive license in Hawaii to clean one of America's most popular drapery brands. Between their Green Seal certification and their drapery cleaning license, they can provide exclusive services that cannot be found anywhere else in Hawaii. A new owner will have the flexibility to continue to run the business as is or expand as desired into the residential sector or to other Hawaiian Islands. Any potential buyer can feel comfortable knowing that the current owner will offer a one-year training/transition period to assist in learning the ropes of contract renewals and management on multiple islands.

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